

**MINUTES  
REGULAR MEETING  
RETIREMENT BOARD OF TRUSTEES  
EMPLOYEES' RETIREMENT SYSTEM OF THE CITY OF BATON ROUGE  
AND PARISH OF EAST BATON ROUGE  
MARCH 26, 2020**

The regular meeting of the Retirement Board of Trustees was held by teleconference and hosted by Foster & Foster, and was called to order at 10:03 a.m. by Board Chairman Ms. Marsha Hanlon. Members participating: Mr. Mark LeBlanc, Mr. Britt Hines, Sergeant Neal Noel, Mr. Joseph Toups, Mr. David West, and Mr. Brian Bernard (joined the call at 10:32 a.m.). Absent: None. Staff participating: Mr. Jeffrey Yates. Others participating: Ms. Denise Akers – legal counsel, and Ms. Shelley Johnson and Mr. Pat McDonald – Foster & Foster actuaries.

Mr. Jeffrey Yates formally called the roll.

The chairman began by introducing Item 1, Reading and Approval of Minutes, and noted that there were minutes being considered for approval from the regular meeting of February 27, 2020, and called for a motion.

**Motion by Mr. LeBlanc, seconded by Mr. West to suspend the reading of, and approve the minutes of the regular meeting of February 27, 2020 as presented.**

**No discussion and no objections.**

**Motion passed by those members participating.**

Under Item 2, Disability, there were no applications for consideration for disability retirement.

The next item on the agenda was Item 3, Benefits Report, and the chairman called on Mr. Yates to present the report. Mr. Yates stated that the report was in order as presented, and that the staff had prepared the report in advance, and he had reviewed it prior to the meeting. He stated that he would answer any questions.

**Motion by Mr. Toups, seconded by Mr. LeBlanc to approve the Benefits Report as presented.**

**No discussion and no objections.**

**Motion passed by those members participating.**

The next item on the agenda was Item 4, DROP Notifications Report, and it was noted that this report was provided for informational purposes only, and no action was necessary. Mr. Toups asked a question regarding early departures from the DROP, which Mr. Yates answered.

The chairman then moved to Item 5, Consultants' Reports, and recognized Ms. Akers for her report. Ms. Akers stated that she would cover the highlights of the current litigations and the status of each case, but that if detailed information was needed she would discuss the cases further. She began with the Macrogenics securities litigation, and proceeded with the Greensky case, the Impinj case, the Energy Transfer, LP case, and the Merit Medical case.

The next item was Item 6, Committee Reports, and under Item 6C, Mr. Toups reported on the election activity. He stated that the results of the election for Seats A and B for the regular member elections had been received from the independent audit firm, and that for Seat A, David West had won the election in the first primary. Regarding Seat B, there would need to be a runoff election between Mr. Brian Bernard, and Mr. Cory Wilson. Mr. Toups stated that an Election Committee meeting had been scheduled for 9:30 a.m. on March 26<sup>th</sup>, but had to be cancelled because of the restrictions on meetings currently in place.

**Motion by Mr. Toups, seconded by Mr. LeBlanc to ratify the results of the election for Seat A for the regular member Retirement Board representative won by Mr. David West.**

**No discussion and no objections.**

**Motion passed by those members participating.**

Mr. Yates noted that even though the printer has committed to having all the runoff election materials and mailings ready ahead of the deadlines established, he thought there could be a potential for contesting an election in which those running could not campaign as they normally could if there was not a shelter at home order in place. Ms. Akers stated that the Governor had proclaimed that any legal deadlines can be extended because of the unusual circumstances in place. She stated that her opinion would be that Mr. Bernard would be able to maintain his position on the Board until a proper runoff election can be held. Several members agreed that postponing the runoff election would help avoid any controversy. The chairman noted that the runoff contestants would need to be notified of the Board's action.

**Motion by Mr. Toups, seconded by Mr. LeBlanc to extend the election schedule for the runoff election for Seat B for the regular member Retirement Board representative until the City-Parish workers return to their jobs.**

**No discussion and no objections.**

**Motion passed by those members participating.**

Moving to Item 7, Staff Reports, the chairman noted that under Item 7C, there were 5 invoices from the Law Offices of Akers & Wisbar, LLC for the month of February, which Mr. Yates verified as being in order as presented. In answer to a question from the chairman, Mr. Yates explained the charges pertaining to a specific PGT member dealing with a waiver of benefits from a former spouse.

**Motion by Mr. West, seconded by Ms. Hanlon to approve payment for the charges to the Law Offices of Akers & Wisbar, LLC as presented.**

**No discussion and no objections.**

**Motion passed by those members participating.**

Under 7F, there were no investment manager/consultant invoices for the Board's review.

Under 7G, Cash Activity Report, it was noted that the report would be suspended until after the actuarial valuation was completed.

Under Item 8, Unfinished Business, the chairman noted Item 8A, Consideration of Actuarial Assumption Recommendations for CPERS Trust Following the 5-Year Experience Study, and recognized Ms. Shelley Johnson and Mr. Pat McDonald of Foster & Foster. Ms. Johnson began by noting that when the study was presented in February, there was a concern by some members that the salary increase assumption was too high considering that the City-Parish had implemented some changes to the pay structure not consistent with the study results. There was also concern that overtime may have affected the assumption during crisis periods such as the flood of 2016. Ms. Johnson stated that after reviewing the details, the pay increase pattern was definitely lower after 2016, and continued in a lower pattern for 2017 and 2018. Therefore pay experience for 2016 and prior years was excluded so that only subsequent years were used in the revised study, which served to significantly reduce the payroll growth assumption from the data in the original study. She then reviewed the recommended assumption percentages as amended, and showed that the employer contribution increase would remain neutral rather than the original increase of \$4.1 million. This assumes all the other recommended assumptions are adopted by the Board, including a 7.0 percent discount rate. It was noted that action on the Experience Study was deferred at the prior Board meeting to do this further research, and that all assumptions would be addressed at the same time.

**Motion by Mr. LeBlanc, seconded by Mr. Toups to approve all the actuarial assumption recommendations of Foster & Foster for the CPERS trust, including the 7.0% discount rate.**

**No discussion and no objections.**

**Motion passed by those members participating.**

The chairman then moved to Item 8B, Consideration of Actuarial Assumption Recommendations for Police Guarantee Trust Following the 5-Year Experience Study, and again recognized Ms. Johnson and Mr. McDonald for their comments. Ms. Johnson stated that there were no changes or revisions to the study as originally presented in February.

**Motion by Mr. LeBlanc, seconded by Mr. West to approve all the actuarial assumption recommendations of Foster & Foster for the Police Guarantee Trust.**

**No discussion and no objections.**

**Motion passed by those members participating**

Under Item 9, New Business, and there were no matters to be addressed.

Under Item 10, Administrative Matters, there were no matters to be addressed.

The chairman then continued with Item 11, Police Guarantee Trust Matters, and under Item 11A, PGT Benefits Report, recognized Mr. Yates who stated that there were two items on this month's report, and that the report was in order as presented.

**Motion by Mr. Toups, seconded by Mr. LeBlanc to approve the PGT Benefits Report as presented.**

**No discussion and no objections.**

**Motion passed by those members participating.**

Under Item 11B, the chairman noted that the PGT DROP Notifications Report was provided for the Board's information, and that no action was required.

At this point, Mr. Brian Bernard joined the teleconference call.

Mr. LeBlanc asked whether or not the Investment Committee meeting would be taking place on April 13<sup>th</sup>. Mr. Yates stated that Jon Breth of AndCo wanted to wait until April 1<sup>st</sup> to determine whether or not restrictions would preclude the meeting before making the final call. It was agreed that since the meeting involves presentations from real estate managers, it should be considered cancelled. Mr. West also noted that the System was in the process of rebalancing the investment portfolio, and wondered if the sharp downturn in the economy would affect or should delay that process. The Board was interested in getting an update from AndCo in light of the market events of late, and was concerned about proceeding with the rebalancing at a time when security values were depressed. Ms. Akers suggested giving a sub-group of the Board the authority to make changes to the rebalancing plan if AndCo recommends doing so.

**Motion by Mr. LeBlanc, seconded by Mr. Toups to approve adding an item to the agenda regarding emergency investment decisions.**

**No discussion and no objections.**

**Motion passed by those members participating**

**Motion by Mr. LeBlanc, seconded by Mr. West to provide collective authority to the Retirement Administrator, the Investment Consultant and the Board Chairman to move investments as needed during the pandemic.**

**No discussion and no objections.**

**Motion passed by those members participating**

Item 11C, Consultants' Reports, there were no items to address.

There were no investment manager invoices under Item 11D.1 for the Board's review.

Under Item 11D.2 there were no invoices to address.

Under Item 11D.3, PGT Cash Activity Report, it was noted that the report would be suspended until after the actuarial valuation was completed.

Under Items 11F Unfinished Business, and 11G, there were no matters to address.

Seeing no further items on the agenda, the chairman called for a motion to adjourn.

**Motion by Mr. LeBlanc, seconded by Mr. Bernard to adjourn at 10:40 a.m.**

**No discussion and no objections.**

**Motion passed by those members participating.**

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**MARSHA HANLON**  
**CHAIRMAN, RETIREMENT BOARD OF TRUSTEES**

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**JEFFREY R. YATES**  
**RETIREMENT ADMINISTRATOR**